

STATEMENT OF CONSIDERATIONS

REQUEST BY SOLARCHEM ENTERPRISES, INC. (SOLARCHEM) FOR AN ADVANCE WAIVER OF DOMESTIC AND FOREIGN PATENT RIGHTS UNDER ITS SUBCONTRACT WITH MIDWEST RESEARCH INSTITUTE (MRI/NREL) UNDER SUBCONTRACT NO. NREL-ZAT-5-15076-01 UNDER PRIME CONTRACT NO. DE-AC02-83CH10093; W(A)-95-021; CH-0867

The Petitioner, Solarchem Enterprises, Inc., has requested a waiver of domestic and foreign patent rights for all subject inventions arising from its participation under the above referenced subcontract entitled "Development of a Homogeneous Aqueous Phase Photocatalyst for Solar Water Detoxification."

The objective of the subcontract is to develop, optimize, and test Solarchem's proprietary homogeneous aqueous phase photocatalyst for solar detoxification of contaminated water. During phase I, Petitioner conducted a series of proof-of-concept tests to further develop the technology. During phase II, which is the subject of this particular subcontract, Petitioner expects to complete a detailed design for a demonstration detoxification system, fabricate it, perform preliminary checks, operate the system, analyze the data generated from the system, and produce a final report.

The anticipated cost of the subcontract (phase II) is \$145,000. Petitioner has agreed to cost share twenty percent (20%) of the subcontract cost.

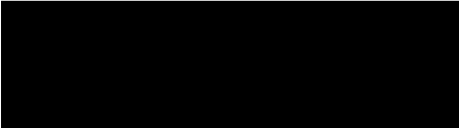
Referring to its waiver petition, Petitioner states that it is an acknowledged leader in the technical field of photo-chemical detoxification, having had extensive experience in supplying and carrying out field demonstrations of photo-chemical detoxification throughout North America. In terms of an established commercial position, Petitioner states that since the first commercial installation of its Rayox system (an advanced UV-oxidation process which Petitioner markets under the trademark "Rayox") in 1989, it has delivered, primarily in North America, over 60 such Rayox systems. Customers of Petitioner include a large number of well recognized multinational companies, as well as many U.S. government agencies.

Again referring to its waiver petition, Petitioner states that, since 1987, it has invested approximately 25% of its gross sales into research and development of UV-oxidation related technology. As a result, Petitioner was able develop and patent "Solaqua," a solar detoxification system using a homogeneous aqueous phase photocatalyst, which is the subject of this subcontract. Considering Petitioner's technical expertise, established market position, and significant investment in this technology including sizable cost sharing in this subcontract, it is reasonable to conclude that Petitioner will continue to develop and ultimately commercialize the technology and products which may arise from this subcontract.


Petitioner has agreed that this waiver shall be subject to the march-in and preference for U.S. industry provisions, as well as the U.S. Government license, comparable to those set out in 35 U.S.C. 202-204. Further, Petitioner has agreed to the U.S. competitiveness provisions as attached to this Statement. In brief, Petitioner has agreed that products embodying any waived invention or produced through the use of any waived invention will be manufactured substantially in the United States unless Petitioner can show to the satisfaction of the DOE that it is not commercially feasible to do so. Further, Petitioner has agreed that it will not license, assign or otherwise transfer any waived invention to any entity unless that entity agrees to these same requirements.

Referring to item 10 of the waiver petition, granting this waiver is not anticipated to have any adverse impact on competition. The environmental remediation market for treating contaminated water is rather large, and even within the more narrow UV-oxidation technology, there are, currently, several competing companies which market alternate systems. Solar UV-oxidation technology, as developed by Petitioner, will likely augment and not replace the rather diverse market for UV-oxidation and other methods of water detoxification. Accordingly, the success of this subcontract can be expected to stimulate investment, not only in this technology, but also in other competing technologies as well.

Considering the foregoing, it is believed that granting this waiver will provide Petitioner with the necessary incentive to invest its resources in the commercialization of the results of the subcontract in a fashion which will make the above technology available to the public in the shortest practicable time. Therefore, upon evaluation of the waiver petition and in view of the objectives and considerations set forth in 41 CFR 9-9.109-6, all of which have been considered, it is recommended that the requested waiver be granted.


Thomas G. Anderson
Assistant Deputy Chief Counsel
Intellectual Property Law Division

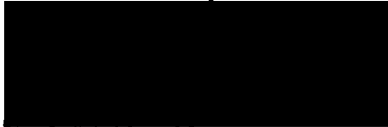
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Daniel D. Park
Patent Attorney
Intellectual Property Law Division

Date: 6/22/95

Based upon the foregoing Statement of Considerations and representations in the attached waiver petition, it is determined that the interests of the United States and the general public will best be served by a waiver of patent rights of the scope described above, and therefore the waiver is granted. This waiver shall not apply to any modification or extension of the subcontract, where through such modification or extension, the purpose, scope or cost of the subcontract has been substantially altered.

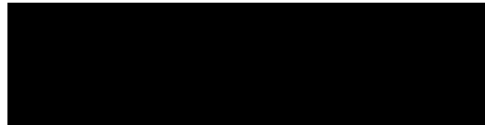
CONCURRENCE:



Kurt D. Sisson, Director
Waste Material Management
Division, HQ

Date: 12/6/95

APPROVAL:



Paul A. Gottlieb, Assistant General
Counsel for Technology Transfer and
Intellectual Property, HQ

Date: 12-6-95

(c)(3)(ix) U.S. Competitiveness

The Subcontractor agrees that any products embodying any waived invention or produced through the use of any waived invention will be manufactured substantially in the United States unless the Subcontractor can show to the satisfaction of the DOE that it is not commercially feasible to do so. In the event that DOE agrees to foreign manufacture, there will be a requirement that the Government's support of the technology be recognized in some appropriate manner, e.g., recoupment of the Government's investment, etc. The Subcontractor agrees that it will not license, assign or otherwise transfer any waived invention to any entity unless that entity agrees to these same requirements. Should the Subcontractor or other such entity receiving rights in the invention undergo a change in ownership amounting to a controlling interest, then the waiver, assignment, license or other transfer of rights in the waived invention is suspended until approved in writing by the DOE.

WAIVER ACTION - ABSTRACT

W(A)-95-021- CH-0867

REQUESTOR

Solarchem Enterprises, Inc.

CONTRACT SCOPE OF WORK

Development of a Homogeneous
Aqueous Phase Photocatalyst for
Solar Detoxification

RATIONALE FOR DECISION

20% cost sharing

DISPOSITION